Shares of Maruti Udyog Limited

3073. SHR1 SANJAY NIRUPAM: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether crores of shares of Maruti Udyog Limited were offloaded recently through the IPO route in the stock market;

(b) if so, to whom the allotment has been given; and

(c) the criteria followed in determining the floor price and the cut-off price of the shares of Maruti Udyog Ltd. and who has been allotted the maximum number of shares?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):(a) About 7.95 crore shares of Rs. 5 each representing 27.5% of equity shares of Maruti Udyog Limited were recently sold by Government in the domestic capital market.

(b) 60% of the total number of shares sold was allotted to Non-Institutional Investors and 40% to Qualified Institutional Investors as against the SEBI regulation of allotment of minimum of 40% of the shares offered to Non-Institutional Investors and maximum of 60% of the shares offered to Qualified Institutional Investors. Out of the total 40% allotted to Qualified Institutional Investors, 10% of MUL stake was allotted to Indian Institutional Investors.

(c) Before fixation of the floor price, the Book Runners appointed by the Government for the transaction conducted a pre-marketing survey and obtained the feedback of the investors on the company's strengths and concerns. After the pre-marketing survey, the Book Runners recommended to the Government that the floor price be fixed at Rs. 115 per share. Based on the recommendation of the Book Runners, Government decided to fix the floor price at Rs.115 per share of Rs.5 each. The issue was over-subscribed by more than 10 times. The Book Runners recommended that the offer price be fixed at Rs. 125 per share as only at that price the book would be fully subscribed and the revenue for Government would be maximum. Government accepted the recommendation of the Book Runners and fixed the cut off price at Rs. 125 per share. UTI was allotted the maximum number of shares.